

BEFORE THE U.S. INTERNATIONAL TRADE COMMISSION

<p>Certain Cold-Rolled Steel Flat Products from Brazil, China, India, Japan, Korea, Russia, and the United Kingdom</p>)	Inv. Nos. 701-TA-540-544 and 731-TA-1283-1290 (Final)
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Testimony of Lori Clark, Ohio Coatings Company

1. Good afternoon. My name is Lori Clark, General Manager of Marketing and Quality Control for Ohio Coatings Company (OCC). I am accompanied here today by Ken Kinyo and Y.S. Bin.

2. OCC is a U.S. producer of tin plate steel located in Yorkville, Ohio. Tin plate is a type of specialty coated steel. It is produced by applying a tin coating to a steel substrate using an electrolytic coating process. Tin plated products are used in food and beverage cans, paint cans, aerosol cans, and similar products. OCC produces both single reduced and double reduced tin plate.

3. The steel substrate used in the production of tin plate is known as tin-mill black plate, normally referred to simply as "black plate." Black plate is a specialty steel that was developed and designed for the production of tin plate. It has no other significant uses. Besides OCC there are three other domestic producers of tin plate products in the United States: ArcelorMittal, U.S. Steel, and USS-POSCO Industries ("UPI").

4. OCC operates a world-class, 130,000 square foot electrolytic tin plate manufacturing facility with a capacity to produce 250,000 tons per year of the highest quality tin plate available anywhere. When our plant opened in 1997 it was the first tin plating mill to have been constructed in North America in over 30 years. OCC employs 66 workers, including 44 members of the United Steel Workers Union, who live in Ohio and West Virginia. Those jobs, and the very survival of OCC as a U.S. tin plate manufacturer, are threatened because our tin mill competitors want to eliminate our ability to compete with them in the tin plate market.

5. Unlike our three competitors in the tin plate market, OCC does not have its own captive supply of black plate. Rather, OCC is dependent upon purchasing black plate in the merchant market. The only domestic producers of black plate, however, are also our competitors in the tin plate market – primarily ArcelorMittal and U.S. Steel. As I will discuss in a moment, sourcing 100 percent of our black plate requirements from our competitors is not a viable option for OCC. Unless we are able to continue to purchase high quality black plate from Korea and Japan, OCC may have to close its doors.

6. From a commercial stand point, black plate is not cold-rolled steel. ArcelorMittal, U.S. Steel, and UPI all market black plate as a type of tin mill product rather than as cold-rolled steel. Most cold-rolled steel manufacturers do

not produce black plate and could not do so without making investments of hundreds of millions of dollars. Black plate is produced to thinner gauges and tighter tolerances than cold rolled steel. To produce black plate you need a special light gauge tandem mill. And to produce double-reduced black plate efficiently you need a double reducing temper mill.

7. In 2012, RG Steel, our former parent company and source of OCC's black plate, went through bankruptcy and was liquidated. Since then, OCC has obtained its black plate from ArcelorMittal, POSCO, and from Japanese suppliers. The only viable domestic supplier at this point is ArcelorMittal. UPI is located in California and it is not economical to ship black plate coils from California to Ohio. US Steel has never shown any serious interest in supplying us. At the preliminary staff conference, representatives of US Steel testified that they would like to supply OCC. So we asked them for a quote. After several follow-up requests, they finally gave us a quote in which they offered to sell us black plate at a price that was higher than the current market price for finished tin plate! That was not a serious offer.

8. OCC cannot survive with ArcelorMittal as our only supplier. First, no producer can afford to have a single source for any essential raw material. ArcelorMittal produces black plate at the old Weirton Steel facility in West

Virginia. If we sourced all of our black plate from ArcelorMittal and that plant were to have any kind of shutdown, fire, strike, *etc.* we would be shut down.

9. Second, ArcelorMittal is our direct competitor in the tin plate market, and the majority of the black plate they produce is consumed internally to feed their tin plate production. That means they will always prioritize supplying their own operations first.

10. Third, our tin plate customers face the same issues. They buy from us because of the quality of our tin plate products, and also to have another supplier besides ArcelorMittal. But if they knew that we were reliant on ArcelorMittal for our black plate, they would no longer view us as a separate supplier from ArcelorMittal. In fact, we have customers that specify in their contracts with us that the black plate must not be sourced from ArcelorMittal. Without an independent supply of black plate, OCC would lose that business.

11. Fourth, and finally, the quality of ArcelorMittal's black plate is not as good as that of POSCO and our Japanese suppliers. ArcelorMittal's Weirton facility was constructed many decades ago, and much of their equipment is no longer state of the art. As a result, our rejection rate with ArcelorMittal is substantially higher than with POSCO or the Japanese suppliers. These rejections cause serious delays that adversely affect our customers.

12. Despite these issues with ArcelorMittal, we expect to continue to purchase significant volumes from them for the foreseeable future. There are obvious advantages to having a local source of supply, and we do have products and contracts for which we are able to use their black plate. But we cannot afford to be reliant on ArcelorMittal as our only source of supply.

13. The U.S. merchant market for black plate is very small. It consists of OCC and a few niche consumers. The domestic black plate producers all produce black plate for their own tin plate production and that is where the vast majority of U.S. production is consumed. Whatever the domestic industry's issues may be with imported cold-rolled steel, they overreach when they attempt to include tin mill black plate in this case. Import restrictions on black plate would only serve one purpose – to undermine OCC as a competitor in the tin plate market. At OCC we have always understood that import relief is about protecting domestic producers and U.S. jobs from unfair foreign competition. It should not be used to empower large domestic producers to gain an advantage over their U.S. competitors in downstream markets. On behalf of OCC's 66 employees, I urge you to issue a negative determination with respect to imports of black plate, which is a separate like product from cold-rolled steel.

14. Thank you.